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HOUSE BILL 697

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Daniel R. Foley

AN ACT

RELATING TO MOTOR VEHICLE INSURANCE; PROVIDING FOR THE  
EXCLUSION OF PAYMENT OF PUNITIVE DAMAGES IN UNINSURED MOTORIST  
COVERAGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 66-5-301 NMSA 1978 (being Laws 1978,  
Chapter 35, Section 325, as amended) is amended to read:

"66-5-301. INSURANCE AGAINST UNINSURED AND UNKNOWN  
MOTORISTS--REJECTION OF COVERAGE BY THE INSURED. --

A. No motor vehicle or automobile liability policy  
insuring against loss resulting from liability imposed by law  
for bodily injury or death suffered by any person and for  
injury to or destruction of property of others arising out of  
the ownership, maintenance or use of a motor vehicle shall be  
delivered or issued for delivery in New Mexico with respect to

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1 any motor vehicle registered or principally garaged in New  
2 Mexico unless coverage is provided therein or supplemental  
3 thereto in minimum limits for bodily injury or death and for  
4 injury to or destruction of property as set forth in Section  
5 66-5-215 NMSA 1978 and such higher limits as may be desired by  
6 the insured, but up to the limits of liability specified in  
7 bodily injury and property damage liability provisions of the  
8 insured's policy, for the protection of persons insured  
9 thereunder who are legally entitled to recover damages from  
10 owners or operators of uninsured motor vehicles because of  
11 bodily injury, sickness or disease, including death, and for  
12 injury to or destruction of property resulting therefrom,  
13 according to the rules and regulations promulgated by, and  
14 under provisions filed with and approved by, the superintendent  
15 of insurance.

16 B. The uninsured motorist coverage described in  
17 Subsection A of this section shall include underinsured  
18 motorist coverage for persons protected by an insured's policy.  
19 For the purposes of this subsection, "underinsured motorist"  
20 means an operator of a motor vehicle with respect to the  
21 ownership, maintenance or use of which the sum of the limits of  
22 liability under all bodily injury liability insurance  
23 applicable at the time of the accident is less than the limits  
24 of liability under the insured's uninsured motorist coverage.  
25 No motor vehicle or automobile liability policy sold in New

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1 Mexico shall be required to include underinsured motorist  
2 coverage until January 1, 1980.

3 C. The uninsured motorist coverage shall provide an  
4 exclusion of not more than the first two hundred fifty dollars  
5 (\$250) of loss resulting from injury to or destruction of  
6 property of the insured in any one accident. The named insured  
7 shall have the right to reject uninsured motorist coverage as  
8 described in Subsections A and B of this section; provided that  
9 unless the named insured requests such coverage in writing,  
10 such coverage need not be provided in or supplemental to a  
11 renewal policy where the named insured has rejected the  
12 coverage in connection with a policy previously issued to him  
13 by the same insurer.

14 D. Uninsured motorist coverage may exclude payment  
15 of punitive damages assessed against an owner or operator of an  
16 uninsured motor vehicle."